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THETFORD LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

CONTENTS

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31st December 2006

Directors' responsibilities for financial statements
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing the financial statements, the Directors are required to

* select suitable accounting policies and then apply them consistently,
* make judgements and estimates that are reasonable and prudent,
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Books of account
The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons The books of account are kept at 8th Floor, 68 King William Street, London, EC4N 7DZ

Principal activities and business review
The principal activity of the Company is to participate in financing transactions related to ship building

On 13th February 1997, the Company entered into two ship building contracts, which were subsequently amended to finance two 1 167 TEU vessels known as Hull 381 and Hull 385 (the "Vessels") The Company simultaneously entered into agreements to sell the Vessels to a customer for a consideration in US Dollars

In order to partly finance the acquisitions of the Vessels, the Company entered into loan agreements with the Madrid branch of the Chase Manhattan Bank (which merged on 10th November 2001 with JP Morgan to become JP Morgan Chase Bank) for a total amount of ESP 1,552,075,200 (€ 9,328,160)

On 24th September 1999, the agreements were novated in favour of Chase Manhattan Bank SA Luxembourg (now known as JP Morgan Bank Luxembourg SA) which acts in a fiduciary capacity following tax advice prior to the Company becoming tax resident in Ireland and the United Kingdom

The Company authorised participation in a financing transaction on 15th February 2001 in connection with a vessel known as C-389 for a maximum amount of € 10,924,443 which was subsequently amended to € 9,941,245 to be financed by JP Morgan Chase Bank Madrid branch, financing of this transaction was subsequently transferred to J P Morgan Europe Limited ("JPMEL") on 15th December 2005

DIRECTORS' REPORT - CONTINUED

Principal activities and business review - continued
The Company entered into a new financing transaction with JPMEL on 25th July 2002, in respect of two vessels known as Hull 420 and Hull 421 (which were amended on 3rd September 2002) for a maximum amount of € 14,741,763 each (total € 29,483,526)

The Company entered into a financing transaction with JP Morgan Chase Bank, London branch for two vessels known as Hull 565 and Hull 566 The transactions were approved by the board of directors on 24th December 2002 and became effective on 7th February 2003 for a maximum amount of € 3,637,692 each

The Company entered into a financing transaction with JPMEL on 18th February 2003 in respect of a vessel known as Hull 399 The transaction was approved by the board of directors on 6th February 2003 for a maximum amount of € 18,472,800

On 25th May 2007, the agreements were novated in favour of The Bank of New York in Luxembourg which acts in a fiduciary capacity after they bought out part of the business of JP Morgan Bank Luxembourg SA

In relation to the above financing transactions, the Company has entered into deposit agreements with the relevant banks, whereby amounts received from the customer are place on deposit with the banks as security for the loans Deeds of novation have been entered into which novate the contractual position under the original loan and deposit agreements in favour of the Company on delivery of the vessels On delivery of the vessels the Company assigned all its rights, title and interests in the shipbuilding contracts to the customer

All financing transactions are structured to take advantage of a subsidy of up to a maximum of 3% per annum on the loan interest amounts payable as part of a scheme offered by the Ministry of Science and Technology in Spain subject to certain conditions The Company does not receive a direct benefit as a result of the subsidy

At the balance sheet date, the balances and interest rates on all loan accounts equalled the balances and interest rates on the respective deposit accounts

Results and dividends

The results for the year are shown in the Profit and Loss Accounts on page 8

Movements in reserves are shown in note 6 to the financial statements

The Directors do not recommend a dividend for the year (2005 Nil)

Directors
The Directors who held office during the year and subsequently were -

R W Short (resigned 28th April 2006)
O F J Pritchard (appointed 8th June 2006)
V M Rapley

DIRECTORS' REPORT - CONTINUED

Secretary
The Secretary of the Company is Mourant & Co Capital Secretaries Limited who served throughout the year

Directors' and Secretary's interests
The Directors and Secretary and their families had no interests in the shares of the Company at 31st December 2006

Companies (Amendment) (No.2) Act, 1999
The legislation became effective on the 18th April 2000 and requires the Company, inter alia, to appoint an Irish director or to put in place a bond to the value of IR £ 20,000 The Company elected to put in place a bond with an approved insurance broker to cover an initial period from 18th April 2001 to 17th April 2003 The Company has subsequently renewed the bond for a further period expiring on 17th April 2009

Subsequent events
There have been no subsequent events after 31st December 2006

Auditors
The auditors, PricewaterhouseCoopers, will be re-appointed in accordance with Section 160(2) of the Companies Act, 1963

Registered Office
25 / 28 North Wall Quay
Dublin 1
Ireland

BY ORDER OF THE BOARD

Authorised Signatory
Mourant & Co. Capital Secretaries Limited
Secretary
Date 1st October 2007

1st October 2007

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
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Dublin 1
Ireland
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Facsimile +353 (0) 1 792 6200
www pwc com/ie

Independent Auditors' Report to the members of Thetford Limited

We have audited the financial statements on pages 7 to 12 These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on page 9

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable Irish law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (generally accepted accounting practice in Ireland) are set out in the statement of directors' responsibilities on page 2

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 193 of the Companies Act, 1990 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with generally accepted accounting practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006 We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account We also report to you our opinion as to

- whether the company has kept proper books of account,
- whether the directors' report is consistent with the financial statements, and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting – such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

PRICEWATERHOUSECOOPERS

Independent Auditors' Report to the members of Thetford Limited – continued

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with generally accepted accounting practice in Ireland, of the company's state of affairs as at 31 December 2006 and of its result for the year then ended, and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2006

We have obtained all the information and explanations we consider necessary for the purposes of our audit In our opinion proper books of account have been kept by the company The financial statements are in agreement with the books of account

In our opinion the information given in the directors' report on pages 2 to 4 is consistent with the financial statements

The net assets of the company as stated in the balance sheet on page 7 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2006 a financial situation which, under section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

16 October 2007

THETFORD LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2006

	Notes		2006		2005
CURRENT ASSETS					
Debtors	2		2		2
TOTAL NET ASSETS		€	2	€	2
CAPITAL AND RESERVES					
Share capital	3		2		2
		€	2	€	2

The financial statements were approved by the Board of Directors on the 01 day of October 2007 and were signed on its behalf by

Director: ____________

Director: ____________

(The notes on pages 9 to 12 form part of these financial statements)

THETFORD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2006

		2006		2005
RESULT FOR THE YEAR		-		-
BALANCE BROUGHT FORWARD		-		-
BALANCE CARRIED FORWARD	€	-	€	-

Recognised gains and losses

There are no recognised gains and losses attributable to shareholders of the Company for the year ended 31st December 2006, nor for the year ended 31st December 2005

1st October 2007

(The notes on pages 9 to 12 form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

1. ACCOUNTING POLICIES

The more significant accounting policies are set out below -

Basis of preparation

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2006 Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board

Transaction reporting

The Company has entered into transactions described in note 7 to these financial statements The substance of such transactions is not, pursuant to the requirements of FRS 5, reflected in the balance sheet forming part of these financial statements as, in the Directors' view, no financial benefits or risks accrue to the Company as a result of its participation in the said transactions

Cash flow statement

The Company is exempt from the requirements of FRS 1 to include a cash flow statement as part of its financial statements because it qualifies as a small Company as defined by Section 8 (2) of the Companies (Amendment) Act, 1986

2. DEBTORS

	2006	2005
Share capital unpaid	€ 2	€ 2

3. SHARE CAPITAL

	2006	2005
AUTHORISED		
100,000 ordinary shares of € 1 25 each	€ 125,000	€ 125,000
ISSUED AND UNPAID		
2 ordinary shares	€ 2	€ 2

The Company was incorporated with an authorised share capital of IR£ 100,000 which was translated automatically to € 126,974 following EMU On 11th December 2002, the Company passed a special resolution to renominalise the value of its authorised share capital to € 125,000 divided into 100,000 ordinary shares of € 1 25

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2006

4 TAXATION

Under the terms of the Umted Kmgdom and Ireland tax treaty, the Company is deemed to be tax resident only in the Umted Kmgdom and hence is liable to Irish tax only in respect of Irish source income including any income attributable to an Irish branch As there is no such income there is no Irish tax charge

United Kingdom corporation tax is payable at a maximum rate of 30% on the profits of the company during the year

The Directors are of the opinion that there is no liability to UK corporation tax and there is therefore no charge

5. OPERATING EXPENSES

All operating expenses of the Company have been settled by a third party and are therefore not reflected in these financial statements None of the Directors received any remuneration in respect of their services to the Company during the year

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
Opening shareholders' funds	2	2
Closing shareholders' funds	€ 2	€ 2

7. TRANSACTIONS

On 13th February 1997, the Company entered into two ship building contracts, which were subsequently amended to finance two 1 167 TEU vessels known as Hull 381 and Hull 385 (the "Vessels") The Company simultaneously entered into agreements to sell the Vessels to a customer for a consideration in US Dollars

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7 TRANSACTIONS - (CONTINUED)

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At the balance sheet date, the balances and interest rates on all loan accounts equalled the balances and interest rates on the respective deposit accounts The balance, and interest rates, were as follows

JP Morgan Bank Luxembourg SA	**Interest rate**		**Balance**
Hull 381	7 30%		2,899,841
Hull 385	7 30%		2,899,841
		€	5,799,682

The loan accounts are repayable in full by ten annual instalments which commenced in January 2002

JPMEL	**Interest rate**		**Balance**
Hull 389	5 00%		7,725,299
Hull 399	5 00%		17,204,921
Hull 420	6 35%		9,538,787
Hull 421	6 35%		9,538,788
		€	44,007,795

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2006

7 TRANSACTIONS - (CONTINUED)

The loan on Hull 389 is repayable in full by ten annual instalments which commenced in February 2004 The loan on Hull 399 is repayable in seven annual instalments commencing in December 2006 up to December 2012 In the case of vessels Hull 420 and Hull 421 the loans are repayable in seventeen equal instalments from January 2004 to February 2012

JP Morgan Chase Bank London	Interest rate		Balance
Hull 565	5 50%		3,387,726
Hull 566	5 50%		3,389,351
		€	6,777,077

The loan balances are repayable in full by ten annual instalments commencing March 2006 (Hull 565) and July 2006 (Hull 566)

The Company and the banks have agreed to offset all payments due to each other with respect to all financings

The Directors believe that no material financial benefits or risks accrue to the Company as a result of its participation in the foregoing transactions and consequently no asset or liability has been recognised on the balance sheet as permitted by FRS 5 (Reporting the Substance of Transactions)

8 ULTIMATE CONTROLLING PARTY

The shares in the Company are held by Arringford Limited as nominee for Mourant & Co Trustees Limited as Trustee of the Eastmoss Trust The Directors do not consider there to be a single ultimate controlling party under the definition of FRS 8 (Related Party Disclosures)

9. RELATED PARTIES

R W Short was a shareholder thereof Each of O F J Pritchard and V M Rapley is an employee of a subsidiary of Mourant Limited and R W Short is a former employee thereof Affiliates of Mourant Limited provide ongoing administrative services to the Company at commercial rates

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 1st October 2007